

Draft Preferred Program Alternative Policy Framework

This Policy Framework summarizes the strategy for developing the Draft Preferred Program Alternative and identifies early implementation actions that can proceed under existing authorities. Policy Group agreement on this Policy Framework lays the foundation to proceed with program refinement and allows for a December release date for the Revised Draft EIS/R. Over the next 3 months (August - October) additional detail will be developed on many aspects of the program listed below which will also be brought to Policy Group.

1. **Staged Implementation and Staged Decision Making.** The complexity of the Bay Delta system and the inability to predict future events and how the system will respond to proposed actions requires that an adaptive management philosophy and process be employed. Central features of adaptive management are staged implementation and staged decision making. Staged implementation and decision making involves identifying certain actions to implement at the outset for which there is sufficient information and general agreement and developing conditions for future decisions and for moving beyond the first stage.
2. **Improvement in all Resource Areas** — ecosystem, water quality, levee system integrity, and water supply reliability.
3. **Program Element Linkages.** The eight program elements (water quality, water use efficiency, ecosystem restoration, levee system integrity, water transfer framework, watershed program, storage, and Delta conveyance) will move forward together. Progress in each element needs to be linked to progress in all other elements. Actions in Stage 2 proceed if there is reasonable progress for all program elements in Stage 1.
4. **Stage 1 Implementation.** The first stage of implementation will be a 7 year period commencing with the certification of the Programmatic EIS/EIR. Stage 1 must:
 - Result in improvement for all program elements and resource areas
 - Provide stability in the water resource management framework
 - Improve conditions in the Bay-Delta for listed and proposed species
 - Have a mix of public and private funding
 - Build the information needed to make decisions for transition to Stage 2
 - Address the conditions and linkages for storage and conveyance

5. **Assurances Package.** The assurance package will replace the Accord and include a set of actions and mechanisms to assure that the Program will be implemented and operated as agreed. The following information will be part of the assurance package and available at the time of the ROD and Findings:

- Programmatic conservation strategy
- Description of new institution/entity and/or how agencies will coordinate
- Description of process for stakeholder involvement
- Financial strategy and principles (see #6 Finance Package)
- Conditions and Linkages (see # 7 and # 8)
- Final Contingency response process for unforeseen circumstances
- Framework for the many other assurances in the program
- Mitigation policy/principles/strategy
- Adaptive management principles for each Program element

6. **Finance Package.** Total cost estimates for the program are being developed and at the time of the ROD and Findings, the financing package will include an final cost estimate, and agreement on the financial principles and cost allocation strategy. The finance package being developed is based on several principles:

- Benefits-based approach ("beneficiaries pay")
- Public and User cost split
- Crediting for other parallel efforts or contributions to Category III
- Provisions for repayment of federal/state costs where appropriate.

7. **Delta conveyance.**

Primary strategy is to develop a through Delta conveyance alternative based on the existing Delta configuration and modifications. Everything practical will be done to make this conveyance strategy achieve CALFED objectives and solution principles.

Contingent strategy is to include a dual Delta conveyance with an isolated facility if the primary strategy does not meet CALFED goals and solution principles. A decision to construct an isolated facility will be warranted if there is a public health drinking water necessity and/or an inability to achieve fish recovery with continuing impacts of diversion from the south Delta. In addition, a decision to build an isolated facility would be coupled with each of the following assurances:

- Limits on water exports
- In-Delta water quality protections
- Address seepage and flood impacts of isolated facility
- Provide long-term Delta levee funding
- Protect area of origin rights
- Complete 404(b)(1) compliance
- Provide site specific environmental documentation
- Demonstrated commitment to finance by beneficiaries
- Agreement on operating authority and operating criteria

8. **Surface Storage.** Surface storage is included as part of the mix of available water management options and will be constructed when predefined conditions are met:
- High level of water use efficiency
 - Demonstrated progress on water transfer framework
 - Groundwater and conjunctive use — demonstrated progress subject to local restrictions.
 - Beneficiary financing commitment
 - Complete 404 (b)(1) compliance
 - Site specific environmental documentation
9. **Actions and Assurances for 1998-99 Under Existing Authorities.** During the period before the final EIS/EIR and ROD are issued in the fall of 1999, the CALFED agencies will continue to make progress in implementing, coordinating, and expanding ongoing project specific actions to provide additional benefits for environmental, urban, and agricultural users, where consistent with the CALFED Bay-Delta Programmatic framework. Project specific actions to pursue include:
- Develop and implement the annual CVP/SWP Operations Plan
 - Expand south of Delta groundwater storage
 - Facilitate additional short term water transfers
 - Coordinate Category 3, Bay-Delta Act, CVPIA and other funds for ecosystem restoration projects
 - Initiate environmental documentation and feasibility analysis for Stage 1 actions including surface storage
 - Increase funding for conservation, reclamation, water quality, and flood plain and watershed management programs
 - Reauthorize funding for Delta levees program
 - Issue final State Board water right decision to allocate responsibility for meeting the Bay-Delta Accord standards
 - Extend the Bay-Delta Accord to provide operational and environmental stability until the ROD is issued
 - Initiate south Delta improvement actions if permitting issues are resolved